

2021 -- S 0347

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO INSURANCE -- COVID-19 PANDEMIC INSURANCE RECOVERY ACT

Introduced By: Senators Bell, Lombardi, Seveney, Kallman, Mendes, Anderson, Calkin,  
Mack, Acosta, and Quezada

Date Introduced: February 25, 2021

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 27 of the General Laws entitled "INSURANCE" is hereby amended by  
2 adding thereto the following chapter:

3 CHAPTER 82

4 COVID-19 PANDEMIC INSURANCE RECOVERY ACT

5 **27-82-1. Statement of intent.**

6 The COVID-19 pandemic insurance recovery act provides a mechanism by which certain  
7 businesses that suffer losses due to an interruption as a result of the 2019-2020 coronavirus disease  
8 pandemic may recover those losses from their insurer if they had a policy of business interruption  
9 insurance in force on March 9, 2020, the date on which the governor declared a public health  
10 emergency and state of emergency in executive order 20-2.

11 **27-82-2. Businesses Eligible for Recovery.**

12 (a) The provisions of this chapter apply to all businesses covered by a business interruption  
13 insurance policy with less than one hundred (100) eligible employees in the state of Rhode Island.

14 (b) "Eligible employee" is defined as a full-time employee who works a normal work week  
15 of twenty-five (25) or more hours.

16 (c) Every policy of insurance for loss or damage to property, which includes the loss of use  
17 and occupancy and business interruption, in force on March 9, 2020, shall be construed to include  
18 among the covered perils under that policy, coverage for business interruption due to global virus  
19 transmission or pandemic, as provided in the governor's executive order 20-2. The coverage

1 provided would be subject to the limits under the policy and would indemnify the insured for losses  
2 incurred during the state of emergency.

3 (d) An insurer which indemnifies an insured who has filed a claim pursuant to its provisions  
4 may apply to the department of business regulation insurance division for relief and reimbursement  
5 from funds collected and made available for this purpose

6 (e) The insurance commissioner is to establish procedures for the submission and  
7 qualification of claims by insurers which are eligible for reimbursement, incorporating such  
8 standards as are necessary to protect against the submission of fraudulent claims by insureds, and  
9 appropriate safeguards for insurers to employ in the review and payment of such claims.

10 (f) The insurance commissioner shall impose upon, distribute among, and collect from  
11 insurance companies, other than life and health insurance companies, the additional amounts as  
12 may be necessary to recover the amounts paid pursuant to this act.

13 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO INSURANCE -- COVID-19 PANDEMIC INSURANCE RECOVERY ACT

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1           This act would allow businesses that had an insurance policy in place for business  
2 interruption as of March 9, 2020 to recover from their insurance companies for a COVID-19  
3 business impact. A business would be eligible for recovery if they have less than one hundred (100)  
4 employees in the state that work twenty-five (25) or more hours a week to qualify for recovery  
5 under this act.

6           This act would take effect upon passage.

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